



SUBJECT: METRO FREEWAY SERVICE PATROL

Metropolitan
Transportation
Authority

**ACTION: AUTHORIZE THE CEO TO EXECUTE NINE
CONTRACTS FOR THE METRO FREEWAY SERVICE
PATROL PROGRAM**

One Gateway Plaza
Los Angeles, CA
90012-2952

RECOMMENDATION

Authorize the Chief Executive Officer to execute 9 three-year Metro Freeway Service Patrol (FSP) contracts for a total amount not-to-exceed \$11,572,088 to the following contractors:

Beat	Contractor	Amount	Contract Period
3	Hollywood Independent Towing, Los Angeles	\$ 1,429,201	01/01/04 - 12/31/06
4	Tow Masters, Los Angeles	\$ 1,725,545	01/01/04 - 12/31/06
6	LA's Bestway, Los Angeles	\$ 1,087,238	02/01/04 - 01/31/07
8	Al's Towing, Alhambra	\$ 1,171,035	02/01/04 - 01/31/07
10	Mid Valley Towing, North Hollywood	\$ 1,390,351	02/01/04 - 01/31/07
22	Girard & Peterson, Burbank	\$ 1,159,897	02/01/04 - 01/31/07
35	Girard & Peterson, Burbank	\$ 913,863	03/01/04 - 02/28/07
39	LA's Bestway, Los Angeles	\$ 1,166,792	03/01/04 - 02/28/07
40	J&M Towing, Alhambra	\$ 1,528,166	03/01/04 - 02/28/07
Total		\$11,572,088	

RATIONALE

In April 2003, due to problems with our procurement process, staff rejected six of the seven low bidders for FSP services. Staff wrote a new, more precisely worded IFB document, enabling a successfully complete solicitation

In this procurement action, staff is recommending nine tow truck operators to the Board. Among them are three operators that are new to the FSP Program. This increases the number of operators under FSP contracts from 19 to 22, making available to the traveling public additional certified drivers and enlarging the number of small firms doing business with MTA.

These contracts, as all FSP contracts, are awarded for three-year periods. They will commence on staggered dates— January 1, February 1 or March 1, 2004— to accommodate the tow truck operators who must perform particular start-up tasks such as hiring and training drivers, procuring and equipping tow trucks, and installing radio communications equipment that MTA has provided. As part of the refined

requirements, all tow trucks will be required to have the FSP logo affixed to their vehicle. Since the existing contracts will expire before these new contract start dates, they will be amended through an administrative process to avoid short-term reductions in service.

Background

The Los Angeles County Metro FSP program is the largest of its kind in the nation. The Metro FSP helps improve mobility on freeways throughout the metropolitan Los Angeles County area by reducing the time to respond and clear freeway incidents. The program consists of 40 beats (designated freeway segments) served by 147 tow trucks that patrol over 400 miles of congested freeways during weekday peak hours, and, on selected beats, during the weekday midday and weekends. Nineteen different private contractors perform this service for the Los Angeles County Metro FSP program. The Metro FSP operation provides an average of nearly 30,000 assists per month.

Metro FSP data sources show that wait time for FSP service is less than 5 minutes on over 70% of all vehicle assists. Metro FSP is first on the scene for 85% of freeway incidents that occur during FSP service hours. Service hours are typically: Monday through Friday 6–10 a.m. and 3–7 p.m.; reduced service during midday 10am-3pm; and on weekends 10 a.m.–6:30 p.m. The latest benefit-cost analysis performed by UC Berkeley documented an average benefit-cost ratio of almost 15:1 for the Los Angeles program, the highest in the State.

FINANCIAL IMPACT

Funding of \$16,500,000 for FSP service is included in the FY04 budget in cost center 3352 under project 300070, Freeway Service Patrol. Since these are multi-year contracts, the cost center manager and Deputy Chief Executive Officer will be accountable for budgeting the cost for future years. In FY03, approximately \$14,200,000 was expended on this line item.

ALTERNATIVES CONSIDERED

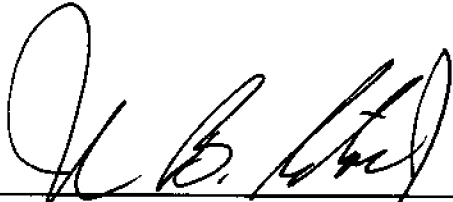
MTA can decide to extend existing contracts under the current terms and conditions for the three-year period. This option is not recommended because the cost-effectiveness of an aging vehicle fleet decreases significantly after the third year due to increased need for vehicle maintenance and would have a negative impact on the operation.

MTA can also decide to stop contracting the FSP service. This option is also not recommended as this program has proven to be a cost effective strategy in reducing freeway congestion and is highly appreciated by the motoring public.

ATTACHMENT(S):

- A. Procurement Summary
- B. Attachment A-1, Procurement History
- C. Attachment A-2, List of Recommended Bidders
- D. Attachment A-3, FSP Map

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Victor Ramirez, Contracts Manager



John B. Catoe
Deputy Chief Executive Officer



Roger Snoble
Chief Executive Officer

**ATTACHMENT A
PROCUREMENT SUMMARY**

Metro Freeway Service Patrol, 9 Beats

1.	Contract Number: Various		
2.	Recommended Bidders: See Attachment A-2		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$11,572,088	Recommended Price: \$11,572,088	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: IFB, firm fixed hourly rates over a three-year period		
5.	Procurement Dates:		
	A. Issued: 5-30-03		
	B. Advertised: 5-30-03		
	C. Pre-bid Conference: 6-11-03		
	D. Bids Due: 8-01-03		
	E. Pre-Qualification Completed: 8-28-03		
	F. Conflict of Interest Form Submitted to Ethics: 08-21-03		
6.	Small Business Participation: No goal recommended		
	A. Bid Goal: 0.0%	Date Small Business Evaluation Completed: N/A	
	A. Small Business Commitment: N/A		
7.	Invitation for Bid Data:		
	Notifications Sent: 390	Bids/Proposals Picked up: 28	Bids/Proposals Received: 16
8.	Evaluation Information:		
	A. Bidders/Proposers Names: List of bidders is in Attachment A-2	<u>Bid/Proposal Amount:</u> \$11,572,088	<u>Best and Final Offer Amount:</u> N/A
	B. Evaluation Methodology: Lowest responsive and responsible bidder & Price Analysis		
9.	Protest Information:		
	A. Protest Period End Date: 9-26-03		
	B. Protest Receipt Date: TBD		
	C. Disposition of Protest Date: TBD		
10.	Contract Administrator: Jim Nolan	Telephone Number: 922-1033	
11.	Project Manager: Al Martinez	Telephone Number: 922-2956	

**ATTACHMENT A-1
PROCUREMENT HISTORY**

Metro Freeway Service Patrol, 9 Beats

A. Background on Contractors

All contractors have been in the towing business for at least three years. The California Highway Patrol and Caltrans have inspected their business locations. Each contractor must meet certain vehicle and facility qualifications in order to be considered for contract award.

Seven contractors will be awarded a total of nine contracts. Contractors are limited to an award of no more than two contracts (beats) each.

	Contractor	Previous MTA Experience
1.	Hollywood Independent Towing	No
2.	Tow Masters	No
3.	LA's Bestway	Yes
4.	Al's Towing	Yes
5.	Girard & Peterson	Yes
6.	Mid Valley Towing	No
7.	J&M Towing	Yes

B. Procurement Background

This present procurement FSP03A is the reissue of previous Invitation For Bid FSP03 for ten (10) FSP beats. Nine of the ten FSP beats are covered by FSP03A. One beat was previously awarded by Board motion.

In the course of investigating issues raised by contractor protests, staff determined that FSP03 was sufficiently flawed, due to problems with evaluation factors and contractor qualifications, as to require the IFB to be revised and reissued. Only one (1) beat was awarded by motion of the Board pursuant to FSP03. Nine (9) beats were not awarded at that time. Accordingly, a revised IFB for nine beats, FSP03A, was developed, advertised and reissued. This resulted in receipt of sixteen (16) bids and subsequent selection of seven (7) responsive, responsible bidders to be awarded a total of nine (9) beats.

ABA Towing and Best Car Towing were disqualified from award recommendation and deemed non-responsible. Both of these contractors had lapses in their state-mandated motor carrier permits (MCP) for the required 12-month period prior to the bid submittal date. ABA Towing had a lapse in their MCP permit from 7/31/02 through 5/15/03 and again from 7/31/03 through 8/15/03. Best Car Towing had a lapse in their MCP permit from 1/3/103 through 3/18/03. There were additional minor irregularities regarding MCP permits which were deemed negligible due to

administrative policies with the Department of Motor Vehicles regarding dates of payment and corresponding posting date of MCP permits.

The recommended bid price of \$11,572,088 for a three-year period is based on hourly unit rates stated in different bids received from 16 contractors. These unit rates were determined to be fair and reasonable based on price analysis selection of the lowest responsible and responsive bidders.

The Diversity and Economic Opportunity Department (DEOD) did not recommend a Voluntary Anticipated Level of Participation (VALP) goal for this procurement. The contract services required for the Metro Freeway Service Patrol (FSP) Program do not involve subcontracting opportunities. Based on industry practices, it is expected that the Prime FSP Contractor will provide all the services, equipment and/or supplies required without subcontracting. Notwithstanding, DEOD records show that in this Board action, 22.2% of the beats will be awarded to Minority Business Enterprises. Overall, 29.3% of the Metro Freeway Service firms participating in the program are owned and operated by Minority Business Enterprises.

C. Evaluation of Bids

- Bidder # 1 Hollywood Independent Towing's bid in the amount of \$1,429,201 is in full compliance with the technical and bid specifications.
- Bidder # 2 Tow Master's bid in the amount of \$1,725,545 is in full compliance with the technical and bid specifications.
- Bidder # 3 LA's Bestway's bids in the amount of \$1,087,238 and \$1,166,792 are in full compliance with the technical and bid specifications.
- Bidder # 4 Al's Towing's bid in the amount of \$1,171,035 is in full compliance with the technical and bid specifications.
- Bidder # 5 Mid Valley Towing's bid in the amount of \$1,390,351 is in full compliance with the technical and bid specifications.
- Bidder # 6 Girard and Peterson's bids in the amount of \$1,159,897 and \$913,863 are in full compliance with the technical and bid specifications.
- Bidder # 7 J & M Towing's bid in the amount of \$1,528,166 is in full compliance with the technical and bid specifications.

D. Cost/Price Analysis Explanation of Variances

The recommended unit rates are higher than the current historical unit rates due to escalation and increases in the cost of labor, insurance and the uncertainty of fuel prices over the three-year term of

the contract. In addition, the dedicated vehicle requirement may have impacted the hourly rates. These unit rates were determined to be fair and reasonable based upon selection of the lowest responsive and responsible bidders and adequate price competition.

	CONTRACT	RECOMMENDED UNIT RATE	HISTORICAL UNIT RATE	PRICE VARIANCE
1.	FSP03A-3	\$44.45	\$37.32	\$7.13
2.	FSP03A-4	\$44.33	\$37.29	\$7.04
3.	FSP03A-6	\$41.00	\$39.00	\$2.00
4.	FSP03A-8	\$44.16	\$37.16	\$7.00
5.	FSP03A-10	\$47.92	\$39.10	\$8.82
6.	FSP03A-22	\$43.75	\$34.99	\$8.76
7.	FSP03A-35	\$45.45	\$35.35	\$10.10
8.	FSP03A-39	\$44.00	\$39.00	\$4.90
9.	FSP03A-40	\$46.00	\$37.49	\$8.51

ATTACHMENT A-2

LIST OF RECOMMENDED BIDDERS

Beat	Contractor
3	Hollywood Independent Towing
4	Tow Masters
6	LA's Bestway
8	Al's Towing DBE/MBE
10	Mid Valley Towing
22	Girard & Peterson
35	Girard & Peterson
39	LA's Bestway
40	J&M Towing DBE/MBE/SBE

LIST OF BIDDERS

	Contractor
1.	ABA Towing
2.	Al's Towing
3.	Best Car Towing
4.	Citywide Towing
5.	Girard & Peterson
6.	Hadley Towing
7.	Hollywood Car Carrier Service
8.	Hollywood Independent Towing
9.	J&M Towing
10.	Jon's Towing
11.	LA's Bestway
12.	Mid Valley Towing
13.	Navarro's Towing
14.	Panorama Towing
15.	Sunset Towing
16.	Tow Masters

ATTACHMENT A-3 FSP MAP

